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June 12, 2003

VIA ELECTRONIC FILING

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Notice of Ex Parte Presentation in Universal Service Contribution Methodology proceeding, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170, and NSD File No. L-00-72; and Wireless E911 proceeding, CC Docket No. 94-102, IB Docket No. 99-67

Dear Ms. Dortch:

On June 11, 2003, F.J. Pollak (CEO of TracFone Wireless, Inc. ("TracFone")), Richard Salzman (General Counsel of TracFone), Nancy Booker and I, on behalf of TracFone met with the following Commission staff members: John Muleta, Catherine Seidel, Uzoma Onyeije, Jared Carlson, Rose Crellin, and Gregory Guice of the Wireless Telecommunications Bureau.

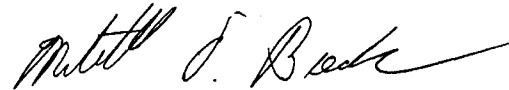
During this meeting, we described TracFone's prepaid wireless service offerings and information regarding TracFone customers. Our presentation reiterated the positions that TracFone has taken in its filed comments in each of the above-captioned proceedings. With respect to the Universal Service Contribution Methodology proceeding, we discussed TracFone's support for a revenue-based methodology and the harm to both TracFone and its primarily low volume customers that would result from the Commission adopting any connection-based contribution methodology. We also discussed the potential impact of the Commission's proposal to require wireless resellers to comply with wireless E911 rules. In particular, we explained TracFone's lack of control over network-based location information solutions, and the

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importance of an adequate transition period for resellers to phase in their sale of location capable handsets where a handset-based solution has been selected by the underlying facilities-based carrier. A copy of the talking points that were used at our meeting is attached.

Pursuant to Section 1.1206(b) of the Commission's Rules, this notice is being filed electronically in the above-captioned dockets. If you have any questions regarding this matter, please feel free to contact undersigned counsel for TracFone Wireless.

Sincerely,

A handwritten signature in black ink, appearing to read "Mitchell F. Brecher", with a stylized, flowing script.

Mitchell F. Brecher

Attachment

cc: Mr. John Muleta
Ms. Catherine Seidel
Mr. Uzoma Onyeije
Mr. Jared Carlson
Ms. Rose Crellin
Mr. Gregory Guice

TRACFONE WIRELESS, INC.
Meeting with Wireless Telecommunications Bureau
CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170
CC Docket No. 94-102, IB Docket No. 99-67
June 2003

❑ **TracFone's History.**

- Began offering service in 1996.
- Affiliate of America Movil – the largest provider of wireless service in Latin America.

❑ **Unique Features of TracFone Service.**

- Nationwide prepaid service (including offshore points) provided through resale of digital and analog services of over 30 wireless providers.
- Specially designed handsets track customer usage rather than network-based usage tracking (this feature provides real time information regarding remaining time to consumers).
- Handsets sold below cost, with no service contract or commitment.
- Handsets and prepaid wireless airtime cards sold at tens of thousands of retail outlets and available from company website.
- Customer initiates service by purchasing a TracFone handset and then using TracFone's website or calling TracFone's 800 number to activate service. Prepaid wireless airtime cards are also activated online or by calling TracFone's 800 number.
- Price structure – one unit per minute for local and long distance in home area and two units per minute when roaming. Service as low as \$7.99 per month and prices are uniform nationwide.
- No hidden fees, costs, penalties, and minutes never expire if service is active.
- TracFone emphasizes customer service. PlanetFeedback currently lists TracFone as the highest rated wireless telephone company and an overall Top 10 company providing outstanding service.

❑ **TracFone's Customer Base.**

- Over 2.1 million customers.
- Pay-as-you-go; no contracts, credit checks, monthly fees, activation fees, or age limits.
- Appeals to people who otherwise could not qualify for traditional wireless service, particularly low income users.
- Appeals to low-volume users, who often purchase phone for family security reasons.

- Appeals to people who do not want to or cannot commit to long-term service contracts with stiff early termination penalties.
- Nationwide pricing appeals to TracFone's many rural customers .

□ **Wireless E911 Proceeding.**

- No need to impose E911 requirements on resellers because they do not control wireless networks and will begin to sell location-capable handsets when they are widely available from manufacturers.
- Application of E911 requirements to resellers would create unnecessary administrative burdens for Public Safety Answering Points and resellers.
- If the Commission does impose requirements on resellers, it must permit a reasonable transition period such as it provided for facilities-based carriers.
- Resellers, such as TracFone, must be permitted adequate time to modify their unique handsets (one year to 15 months to perform the necessary development, testing and installation of the modified software). Following that period, there should be a phased-in schedule with timeframes similar to that used for Tier III carriers.

□ **Universal Service Contribution Methodology Proceeding.**

- Wireless industry, including TracFone, supports continuation of revenue-based methodology as the only proposal that meets the requirements of Section 254 of the Communications Act for every telecommunications carrier offering interstate telecommunications services to contribute on an **equitable and nondiscriminatory** basis, as well as the Commission's additional goal of competitive neutrality.
- TracFone serves primarily low volume customers with very little interstate calling (approximately 10 percent of overall traffic). Therefore, TracFone users will face disproportionately greater increases in their rates if the Commission adopts a connection-based proposal.
- TracFone does not have any separate line item surcharges because it does not bill its customers. It cannot pass through as a surcharge the significant increases that would result from a connection-based charge, and would appear to be raising its per-minute rates.
- TracFone supports additional changes to the revenue-based contribution methodology, including eliminating or increasing the wireless safe harbor and broadening the base of contributors.